

FY 2020 Supplemental Request**LBB 2-41****Department: Department of Health and Welfare****Sponsor(s):****Division: Division of Medicaid****Sen: Agenbroad, Lee****Program: Basic, Coordinated, and Enhanced Medicaid Plans****Rep: Wintrow, Amador, Troy****Description: Medicaid Forecast Shortfall****1. Background:**

The Division of Medicaid requests an additional \$15,845,600 in ongoing trustee and benefit payments to account for the estimated increase in service utilization and hospital reimbursement costs. In FY 2017, FY 2018, and FY 2019, the division exhausted its General Fund appropriation and had to hold bills until the next fiscal year. Currently, the division is forecasting another shortfall and is requesting a supplemental appropriation to bring its request in line with its forecast. The request is not being made at the composite federal Medicaid match (FMAP) rate (70.41%) because the division has excess federal fund appropriation that it will be able to use in lieu of new appropriation.

Recommended by the Governor with additional moneys from the General Fund for expenses related to the Medicare claw back for CY 2020. Claw back charges are cost-sharing payments to the federal government for the Medicare Part D prescription drug program. Charges were incorrectly assessed by CMS when the department submitted its budget, and have since been corrected and will increase 5.21% in CY 2020.

2. Agency Request and Governor Recommended Addition:

Division of Medicaid - Trustee and Benefit Payments

			OT	Basic Plan	Coordinated Plan	Enhanced Plan	Division Total
0220-03	Gen			\$2,939,800	\$2,569,800	\$4,103,200	\$9,612,800
0220-02	Fed			\$2,335,900	\$1,419,700	\$3,260,200	\$7,015,800
Grand Total				\$5,275,700	\$3,989,500	\$7,363,400	\$16,628,600

3. Actions:**a. Motion:**

"I move to the Department of Health and Welfare for the Coordinated Medicaid Plan Program for fiscal year 2020, all in ongoing trustee and benefit payments, an additional \$9,612,800 from the Cooperative Welfare (General) Fund, and an additional \$7,015,800 from the Cooperative Welfare (Federal) Fund, for a total of \$16,628,600."

- b. Discussion:** The entire request is being appropriated to the Coordinated Medicaid Plan Program, as the Division of Medicaid has the authority to transfer between Medicaid Programs without limitations.